



TOWN OF ACTON

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FINANCE DEPARTMENT
STEPHEN G. BARRETT, CPA, DIRECTOR

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TO: Sewer Commissioners
FROM: Stephen Barrett, CPA (SGB)
DATE: July 11, 2008
RE: FY 2009 Sewer Operation + Maintenance Rate Recommendation

FY 2009 Sewer Operation + Maintenance Rates

Staff has developed a recommendation for the Sewer Commissioners to review concerning FY09 Sewer Operation & Maintenance rates. The rates voted will be in place throughout FY09. To that end, we have developed a plan, attached, which depicts our analysis. The plan highlights are as follows:

- 1) Existing total billable flow has increased 1.30% between FY 08 and FY 09.
- 2) Our budgeted costs have increased from \$50,785 to \$53,000, a 4.36% increase. The increase is due to variable treatment plant costs such as utilities, chemicals, and other pass through costs.
- 3) The "average" single family residence will be paying \$.0163 cents per gallon which translates into an "average annual bill" of \$854 per year, a 2.4% decrease over FY 08.
- 4) Our commercial customers will be paying \$.0233 cents per gallon which translates into a rate increase of 2.7% over FY 08.

Our calculations are enclosed for your review/comment and staff is available to answer any questions.

FY 09 Sewer O&M Rate Analysis

Terminology:

GPD = Gallons per Day

GPM = Gallons per Month

Statistical Info:

FY 08 to FY 09 increase in billable flow = 1.30%

FY 08 to FY 09 increase per gallon rate = 1/25th of 1 cent

	July '08	Aug '08	Sept '08	Oct '08	Nov '08	Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	June '09
Residential GPD	81,350	81,350	81,450	81,550	81,650	81,750	81,850	81,950	82,050	82,150	82,250	82,350
Commercial GPD	37,889	37,889	37,889	37,889	37,889	37,889	37,889	37,889	37,889	37,889	37,889	37,889
Total GPD	119,239	119,239	119,339	119,439	119,539	119,639	119,739	119,839	119,939	120,039	120,139	120,239
Avg. Days/month	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4
Residential GPM	2,473,040	2,473,040	2,476,080	2,479,120	2,482,160	2,485,200	2,488,240	2,491,280	2,494,320	2,497,360	2,500,400	2,503,440
Commercial GPM	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826	1,151,826
Total GPM	3,624,866	3,624,866	3,627,906	3,630,946	3,633,986	3,637,026	3,640,066	3,643,106	3,646,146	3,649,186	3,652,226	3,655,266
Residential Rate FY 09	0.0163											
Commercial Rate FY 09	0.0231											
Residential Rate FY 08												
Commercial Rate FY 08												
% Change												
% Change												
Res FY 07												
Comm FY 07												
Total Residential Billed	40,310.55	40,310.55	40,360.10	40,409.66	40,459.21	40,508.76	40,558.31	40,607.86	40,657.42	40,706.97	40,756.52	40,806.07
Total Commercial Billed	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18	26,607.18
Total Billed	66,917.73	66,917.73	66,967.28	67,016.84	67,066.39	67,115.94	67,165.49	67,215.04	67,264.60	67,314.15	67,363.70	67,413.25
Monthly Expenses	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00
Capital Reserve	13,917.73	13,917.73	13,967.28	14,016.84	14,066.39	14,115.94	14,165.49	14,215.04	14,264.60	14,314.15	14,363.70	14,413.25
Total	66,917.73	66,917.73	66,967.28	67,016.84	67,066.39	67,115.94	67,165.49	67,215.04	67,264.60	67,314.15	67,363.70	67,413.25

FY 09 Average Single Family Residential Bill

FY 09 Residential Rate	0.0163
Avg SFR flow/month	4,368.0
Avg SFR monthly bill	71.2
Avg SFR annual bill	854.4

Average Single Family monthly decrease = \$ 1.78, or 2.4%

FY 08 Average Single Family Residential Bill

FY 08 Residential Rate	0.0159
Avg SFR flow/month	4,589.9
Avg SFR monthly bill	72.98
Avg SFR annual bill	875.76

TOTAL CAPITAL RESERVE ANTICIPATED FOR FY '09 169,738.14